Automotive News

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Subaru upheld on franchising

Race not issue, Fla. court says

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

A Florida used-car dealer lost his bid for a Subaru franchise after failing to convince a Dade County Circuit Court judge to restrain Subaru from giving the franchise to someone else.

Don Lloyd, owner of Don L Motors, had charged that Subaru of America denied him a franchise because his business is in a predominantly black area of Miami.

"The judge said race played no role in our cancellation of the franchise," said Philip Lustbader, Subaru of America group vice president and general counsel.

Circuit Judge Gerald Wetherington ruled last week that Subaru had the right to cancel its letter of intent with Lloyd because he failed to fully disclose that he was investigated by U.S. Customs for importing gray-market cars.

Subaru had maintained all along that it canceled the franchise because of the criminal investigation by Customs. The investigation is over and no charges have been filed against him so far, the dealer said. He said he had informed Subaru of the investigation.

Wetherington had separated Lloyd's suit against Subaru into three parts — redlining, breach of contract and negligence.

Last week's arguments centered on whether Subaru should sign a dealership agreement with Lloyd. He sought an injunction restraining Subaru from giving the franchise to someone else.

According to Subaru's Lustbader, the ruling also nullifies the negligence charge.

Arlene Muenz, Lloyd's attorney, said the court will be asked to rehear the case on procedural grounds. The judge must deny a rehearing before it can be appealed to the Florida appellate court.

Meanwhile, both Subaru Credit Corp. and Marine Midland Automotive Financial Corp. — also named in Lloyd's suit — have asked for dismissal of the redlining charge. Marine Midland is a partner with Subaru in Subaru Credit Corp., the importer's captive finance company.

Lloyd said he will probably drop the redlining charge unless a civil rights group comes forward to pursue it.

Whether Lloyd can prevail on his redlining charge on his own is doubtful because none of his customers were actually denied credit by Subaru Credit or Marine Midland. Lloyd is white.

Lloyd's redlining charge was rooted in the location of his dealership, in a 78 percent black area of Miami.

"The whole race issue was subterfuge," said Subaru's Lustbader.

see SUBARU, page 55

AUTOMOTIVE NEWS/JOE WILSDON

Lutz, left, and Bidwell announce Chrysler's new incentive program

Dealers reduce build-out orders

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — While automakers continue to express optimism that bold incentive campaigns will resuscitate a sagging market, domestic-car dealers throughout the country report they are reducing 1989 model year build-out orders due in late April and early May.

If the trend continues, domestic automakers will face production cuts or extended model changeovers this summer as their aggressive production schedules collide with mounting dealer wariness that the market cannot rebound to 1988 levels.

Big 3 dealers interviewed by Automotive News said that despite the latest round of incentives, they are not ordering as many build-out units as they did one year ago.

Chrysler Motors last week became the third Detroit automaker to offer aggressive, wide-ranging incentives. It began offering 24-month loans at zero interest for all new 1988- and 1989-model cars and selected trucks. Chrysler also sweetened rebates and offered additional low-interest loan rates in response to the programs announced at the end of March by General Motors and Ford Motor Co.

Details of new incentive programs, Page 53

Import companies also re-

see BUILD-OUT, page 52

Changes slow GM's F

Camaro/Firebird may be delayed until '93

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors' next-generation Pontiac Firebird and Chevrolet Camaro — now scheduled for introduction as 1992½ models — may actually end up 1993 models because of last-minute changes in the program.

Economic considerations and new technologies have sent GM engineers and designers back to the drawing boards, sources familiar with the project said.

Meanwhile, the current generation Firebird/Camaro will be freshened up in the spring of 1990, though the changes are minor, and labeled 1991 models.

The next-generation Firebird and Camaro, planned for a 1992½ or 1993 launch, will be rear-wheel-drive cars, just like today's models. But they will be built on a space-frame chassis, a bird-cage like structure to which body panels are attached. Originally, all of the body panels were to be composite plastics, but now GM is considering a combination of plastic and steel panels because of costs. Those decisions will be made within a couple of months.

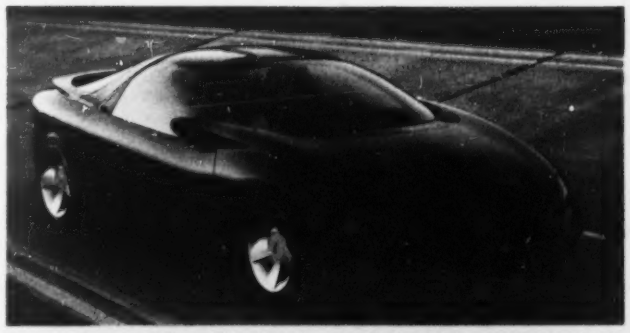
Also to be decided in that timeframe are details of the engines for the new Firebird and Camaro. The current base engine in the Firebird and Camaro is a 2.8-liter V-6 with multi-port fuel injection. The base engine in the next generation will be an upgraded version of the same engine. It will feature new technology and likely will have a larger displacement.

The Series 3400 engine, GM's new dual-overhead cam, 3.4-liter, high-performance V-6 has been ruled out.

The high-performance versions of Firebird and Camaro will be powered by a V-8. An all-new V-8 is being considered to replace the 5-liter V-8 in today's F-cars, as they are known within GM.

The new V-8 slated for the Fire-

see F-CAR, page 51



The new Camaro styling will be based on the California Camaro Concept 1990

AUTOMOTIVE NEWS/JOE WILSDON

The next-generation Firebird styling will be similar to the Banshee concept car

Reaching high

Truck industry on road to powerful 1989

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

ORLANDO, Fla. — As medium- and heavy-truck dealers gather for TRX-89, the 26th annual American Truck Dealers convention and exposition, their financial health and the industry's market outlook are the best they have been in years.

In most dealerships, sales and profits are up strongly, according to ATD's most recent 20 Group surveys. ATD is a division of the National Automobile Dealers Association.

At the same time, medium- and heavy-truck manufacturers have been producing at full capacity. In contrast to plant shutdowns and capacity cutbacks of recent years, a number of companies — Kenworth Truck Co., Volvo GM Heavy Truck Corp. and Freightliner Corp. — are adding facilities.

Industry forecasters are looking for 1989 to emulate last year, which was the best in a decade. Some feel 1990 will bring record sales. In the short and long terms, however, there are still worrisome clouds on the horizon.

Rising interest rates, for example, could take their toll on sales. And 1991 emission standards promise to drive prices up sharply, with a potentially big impact on sales.

But for the time being, the industry is enjoying some welcome prosperity.

"I haven't been as optimistic as far as the dealers are concerned for some time," said Bob Young, manager of ATD Consulting Services, McLean, Va.

He pointed to a "lot of good stuff" in the average truck dealer's financial results last year, as represented by ATD's 20 Groups. The 20 Groups — which organize about 20 dealers with similarly sized dealerships and products into regular meetings to discuss all facets of their business — include more than 200 medium- and heavy-truck dealers.

The data indicate dealers are doing a somewhat better job of managing their businesses. Their unit sales have increased, but the real key to their improved before-tax profits is in management — particularly in used-truck operations.

The medium- and heavy-truck dealers' average monthly pre-tax profit as a percent of sales was 2.2 percent in 1988, up from 1.8 percent the previous year. By comparison, car dealers averaged 1.6 percent in 1988 and 1.9 percent in 1987, according to NADA.

see ATD, page 28

Toyota U.S. elevates 8 to VP posts

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Toyota Motor Sales U.S.A. promoted eight managers to vice president in what was described as a "youth movement" to prepare for future growth.

"Our goal by the mid-1990s is to sell 1.5 million vehicles in the United States," said Robert B. McCurry, Toyota's executive vice president of sales and operations. "To do that, we have to have more senior people."

While Toyota referred to the changes as a reorganization, few duties or reporting relationships changed.

An exception is George Borst, 40, the youngest of the new vice presidents. He was promoted from corporate marketing manager to vice president of marketing and strategic planning. His new duties include strategic planning and product planning in addition to marketing, merchandising, advertising and sales training.

Other promotions include: J.

Borst

Illingworth

Olson

Pitts

Davis Illingworth, 45, vice president and general manager of Lexus Division, from general manager; James R. Olson, 47, vice president of public affairs, from corporate public affairs manager; and Robert Pitts, 41, vice president and gen-

see TOYOTA, page 51

Show stopper
This Cadillac Seville Ultra, developed by the General Motors Advanced Concept Center in California, was designed as a "what if . . . " project car to explore the outer regions of Cadillac performance. Unveiled at the 1989 Arizona Auto Show last week, the Seville Ultra sports a 275-horsepower, 4.5-liter engine built by Jack Rousch Racing that is said to be capable of propelling the car to speeds up to 150 mph. A Cadillac spokesman said there is no plan to put this car in production.

Ford gives nod to Gilmour; Ross, Trotman to new jobs

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. will shuffle three key executives in a series of moves to be announced today.

Ford is expected to reveal in its annual proxy statement that Allan D. Gilmour, 54, will become executive vice president of corporate staffs. In addition, Gilmour — whom many observers believe is destined to head Ford someday — will return to the four-man office of the chief executive after an 18-month absence.

Louis R. Ross, 57, will replace Gilmour as executive vice president in charge of international operations. Ross will be succeeded by Alexander J. Trotman, 55.

The changes, which have been approved by Ford's board of directors, take effect May 1.

Gilmour will assume a title that has not been used for nearly a decade. Vice Chairman Harold Poling was executive vice president of operating staffs in 1979, before he was put in charge of North American Automotive Operations. What Gilmour's duties will be is unclear.

The vacancy in the office of chief executive was created by the April 1 retirement of William Clay Ford.

Gilmour had served in that office as Ford's chief financial officer until October 1987, when he was named head of international automotive operations. Although the move was a step down on paper, it gave Gilmour an opportunity to run an automotive operation and experience on the international scene. Both are viewed as essential rungs on the ladder to the top.

Poling is due to retire in 1990; Chairman Donald Petersen turns 65 in 1991.

Ross, in a lateral move, takes over on the international side after more than four years as head of NAAO. He oversaw the launch of the Ford Taurus/Mercury Sable as well as some significant gains in market share in North America.

Gilmour

Ross will continue to report to Philip E. Benton Jr., 60, president of the Ford Automotive Group.

Trotman's ascension will give him his fourth job in 14 months. Early last year he was promoted from president of Ford of Europe to chairman. On Feb. 1, 1989, he moved to the United States as an executive vice president, reporting to Ross.

Although the arrangement was not without precedent, it was peculiar. It appears to have been a vehicle to get Trotman reacquainted with the North American market.

Iacocca takes cut

Compensation fell below $4 million

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Corp. Chairman Lee Iacocca, who took home $17.9 million in compensation in 1987, received compensation totaling $3.66 million in 1988.

In 1988, Iacocca exercised stock options valued at less than $2.03 million compared to the $13.45 million in options he exercized in 1987, according to the company's proxy statement mailed to shareholders on Friday.

General Motors and Ford Motor Co. are expected to release proxy statements this week.

Chrysler Motors Chairman Bennett Bidwell was the only other executive to exercise warrants among the five highest-paid Chrysler employees. As a result, the compensation of Chrysler's top-five executives dropped sharply in 1988.

Iacocca's other 1988 compensation included a salary of $865,673, a $600,000 cash bonus, a $159,254 stock bonus and a $12,000 company contribution to the employee savings plan.

Iacocca's compensation reached a high of $20.6 million in 1986 and totaled $17.9 in 1987. He was the highest-paid automotive executive both years.

Iacocca's compensation in recent years has been a red flag to UAW officials, which again criticized it this year.

According to the proxy, the Chrysler chairman will receive an additional 191,250 shares of common stock Nov. 2, 1990, and 63,750 shares Dec. 8, 1991. He also has an option to purchase 540,000 shares exercisable Dec. 8, 1990 and 180,000 shares exercisable Dec. 8, 1991 at $33.50 per share.

According to the proxy, the five top Chrysler executives received the following 1988 compensation:

- Gerald Greenwald, Chrysler Corp. vice chairman: total compensation of $1,207,929. In 1987, Greenwald's compensation totaled $6.60 million, including $5.28 million from exercised stock options.
- Bennett E. Bidwell, Chrysler Motors chairman: total compensation of $1,210,143, including the $159,235 realized from exercised stock options. In 1987, Bidwell's compensation totaled $2.45 million, including $1.33 million from exercised stock options.
- Robert A. Lutz, Chrysler Motors president: total compensation of $979,256. Lutz' 1987 earnings were not detailed in last year's proxy.
- R.S. Miller Jr., Chrysler Corp. executive vice president: total compensation of $902,453. His 1987 compensation was $1.27 million, when he exercised stock options totaling $377,960. Miller did not exercise any stock options in 1988.

Chrysler stockholders will vote on two proposals at the May 16 annual meeting in San Francisco. One calls for cumulative voting in the election of directors. The other would require each company director to hold at least 2,000 common or preferred Chrysler shares.

CHRYSLER COMPENSATION

	1988 Salary	1988* Cash/stock bonus	Options exercised Jan. 1-Dec. 31, 1988	Total** compensation
Lee A. Iacocca, Chrysler Corp. chairman	$865,673	$759,254	$2,026,650	$3,663,577
Gerald Greenwald, Chrysler Corp. vice chairman	633,851	565,378	0	1,207,929
Bennett E. Bidwell, Chrysler Motors chairman	544,281	499,127	159,235	1,210,143
Robert A. Lutz Chrysler Motors, president	484,629	487,752	0	979,256
R.S. Miller Jr. Chrysler Corp., executive vice president	444,951	451,377	0	902,453

*—Cash/stock bonus paid in 1988 from 1987 earnings.
**—Includes corporate contributions in 1988 to employee savings plan.

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Ex-dealer to pay customers $2.1 million

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — A former Maryland dealer has agreed to pay customers $2.1 million to settle consumer fraud charges brought by a county agency.

Dennis L. Spencer, who owned two dealerships in Silver Springs, agreed to the settlement with the Montgomery County office of consumer affairs. The two dealerships, Astro Chevrolet and Metro Ford, are in bankruptcy proceedings.

It is the largest consumer protection cash settlement in the state's history, county officials said.

The money collected from Spencer — who denies all charges of fraud and deception — comes from assets frozen by a court order obtained by the county. Those assets include proceeds from the sale of two Virginia dealerships owned by Spencer — S&R Chevrolet-Oldsmobile in Leesburg and Imperial Dodge-Chrysler in Warrenton.

John Koons Jr., a Washington-area megadealer, bought those points. Spencer's last Virginia dealership, M&M Pontiac in Springfield, was sold recently to David Perno.

The settlement also prohibits Spencer from owning, operating, managing or working in any dealership in Montgomery County for at least 10 years.

The consumer affairs office filed suit in September 1987 and for the first time authorized the hiring of an outside law firm to handle the complicated case. In addition to the customer payments, Spencer agreed to pay $650,000 in legal fees for the outside counsel's investigation, which was handled by the Washington law firm of Arent, Fox, Kintner, Plotkin and Kahn.

The consumer office acted on 400 consumer complaints and said it will now send letters and claim forms to 7,000 to 8,000 Spencer customers who bought cars between 1985 and 1988. The dealerships were closed in 1988. Using records seized from Spencer, the county can supplement what may be inadequate consumer records.

Payouts are expected to start by early fall. The restitution does not cover any fraud complaints on repairs or service. Any money not paid back to customers will go to the county to pay the expenses of the investigation.

Last October, a state court moved to preserve Spencer's assets and shortly afterward enjoined him from engaging in any of the allegedly deceptive practices. The Maryland dealerships then went into bankruptcy proceedings. Included in charges made of Spencer:

- Selling used cars, demonstrators, wrecked cars or repossessed cars as new.
- Selling "dealer-installed accessories" at "unconscionable" prices even though some were factory installed and thus included in the sticker.
- Failing to disclose prices for certain items and for additional dealer markup.
- Rejecting liability for repairs despite sale of extended-warranty and service contracts.
- Offering to sell at a certain percentage over "factory invoice" but failing to have such vehicles in stock unless "dealer-installed options" also were purchased.
- Falsely advertising that buyers would "get back in trade every dollar you paid for your car when new toward the purchase of any in-stock" new car.

European makers face soft sales, new rivals in Canada

By Alex Law
STAFF CORRESPONDENT

TORONTO — Import firms competing in Canada's luxury market admit demand is soft and think it may get even softer.

The luxury market, $30,000 Canadian ($25,000) and up, accounts for about one sale out of every 20 in Canada, about half the U.S. rate.

Despite the smaller market, the number of competitors is no less and the sharply competitive nature of the Canadian market may foreshadow a shakeout south of the border. Canada's population and car sales are about one-tenth the size of that in the United States.

Import sales in Canada were down 9.5 percent in 1988. Luxury imports suffered losses ranging from 4 percent at Mercedes-Benz to 33 percent for Volvo. BMW was the sole exception in the luxury group, posting a 3 percent gain.

March sales for most in the European group are down anywhere from 10 percent for BMW to more than 37 percent for Audi. While sales held their own in the first two months of this year, first quarter results show declines ranging from 1.7 percent for BMW to about 13.5 percent for both Jaguar and Volvo.

"I don't see it (the downturn) as a disaster," said Dennis DesRosiers, president of DesRosiers Automotive Research. But the softness is "a serious concern."

Adding pressure to luxury-import sales is higher interest rates — the prime rate now stands at 13.5 percent in Canada — a weak Canadian dollar, domestic competition undercutting prices and the specter of upscale Japanese competition.

Also, recent changes in the Canadian tax structure, similar to changes in the United States, limit a car's write-off status to $20,000 ($16,760).

And the launch of Toyota's Lexus and Nissan's Infiniti next year could make things even tighter for Europeans.

"Everything I see says we're going after BMW and Mercedes," said F. David Stone, Toyota Canada's director of public affairs. He figures Lexus might develop another niche: "A high-quality product at a better price."

As a percentage of total sales, several long-standing factors have kept the imported luxury-car segment below that in the United States. That is because:

- Imported cars are subject to a 9.2 percent duty and a 10.71 percent sales tax.
- Provincial taxes generally are higher than taxes in the United States, leaving less disposable income.
- Canadians, among the world's biggest savers per capita, are not inclined to spend money on luxury cars.

Most manufacturers are reigning in their operations and holding fast or reducing the number of dealers in an effort to ride out the storm.

The major exception is BMW, which just boosted its dealer network to 48, up from 41 points in 1987. The company hopes to double its 1988 sales pace and sell more than 10,000 units.

Mackie: "I believe consumers are poised to re-enter the luxury car sector"

CANADIAN LUXURY MARKET
March Sales

	1989	1988	% Change
Audi	129	207	−37.7
BMW	401	450	−10.8
Jaguar	151	190	−20.5
Mercedes-Benz	345	433	−20.3
Porsche	90	66	+36.0
Saab	116	161	−27.9
Volvo	565	510	+ 8.8

Vic Doolan, president of BMW Canada, has led the move to increase sales. He has brought more dealers on board, opened a BMW gallery in the heart of Toronto's business-financial district, and unveiled new leasing programs.

Other luxury importers imply that BMW's strategy for a growing dealer network is the wrong way to go.

"That's a Band-Aid solution to a problem you have. In the long term it'll haunt you," said Dieter Scharf, general manager of marketing, planning and services for Mercedes-Benz Canada. "We don't believe in just opening new dealers."

While Mercedes is making no changes, others are paring back their dealer networks. Audi is in the final stages of a dealer-trimming program (from 92 to 60) that left some ex-Audi dealers unhappy.

Audi sales in 1988 were about 2,500 units, down from 7,000 in 1986.

Max Finestone, manager of Volkswagen Canada's Audi division, characterizes that performance as "not too bad, but not great."

VW Canada calls the 1986 performance an aberration.

"The boom of the early 1980s cannot and should not be used as an accurate barometer for our present policies and market strategies," said then VW Canada President Detlef Witting during the marque's new model launch last August. Wittig has since replaced Hans-Jorg Hungerland, now president of Volkswagen of America, as VW AG's export manager.

He said Audi is "not a 10,000- or even a 6,000-car Canadian franchise, nor should it be. More appropriately, more correctly, Audi will strive toward stable new-car sales of between 4,000 and 5,000 per year."

Fred Dubee, general manager of VW Canada's Porsche division, said his division's sales "will be up in 1989," to about 700 units, but still off from the "heady volume days with the 924" in 1986 when the company told 1,200 units.

Barratt: Volvo sales are increasing due to "better availability of product"

Last year, VW Canada sold 630 Porsche cars, down from 918 the year earlier.

"The luxury sports car market had a rough last 12 to 16 months," he said.

Porsche has 16 dealers in Canada. Originally, all 315 Canadian VW dealers sold and serviced Porsche models, but that number was "rationalized to 16 several years ago," Dubee said.

In recent years, Jaguar Canada has seen double-digit sales increases through its 23 dealers. That ended last year for the Brampton, Ontario-based importer.

Instead of the 3,000 units projected, the reality was 2,154, down 19 percent from 1987's record 2,660. Still, it was Jaguar Canada's second best year.

Company President John Mackie said that in Canada, "the political uncertainty of an election year, combined with the economic anxiety caused by the debate over free trade with the United States, seemed to have a numbing effect on consumer confidence.

"I believe consumers are poised to re-enter the luxury car sector," he said.

Jaguar has been especially hard hit by federal tax changes that limit the write-off for a company car, since 30 percent of existing Jaguars have company-car status.

Volvo Canada sales have been off, but Ken Barratt, the company's public affairs director, said sales by the company's 68 dealers are increasing.

He attributed that to "better availability of product" now that the company's Halifax assembly plant is turning out 36 units a day of the 740-series.

Saab-Scania Canada is struggling in its long-term goal to sell 3,000 units a year. Last year Saab sold 1,369 cars.

"Saab is unknown to people," said Ulf Bundell, the firm's president. He said studies show that Saab's competition is "five to six times better known."

The 32 Saab dealers are selling a greater number of 900-series models than the 9000-series, but Bundell would like to see the breakdown change in favor of the more expensive series. The immediate sales goal for Saab in 1989 is 1,800 cars, Bundell said.

Meanwhile, a Canadian distributor handling Maserati recently entered the market, hoping to sell about 500 cars a year. Autolion Distribution is setting up 30 dealers across Canada to sell the Peugeot 405. There also is talk that Sterling may be sold in Canada.

But the big question is the impact of the Japanese luxury divisions that launch their cars in the fall of 1990.

European importers vary on how direct the Japanese competition will be.

BMW's Doolan says his cars — particularly the 5- and 7-series — will not be at much risk from the less expensive Japanese luxury cars. He believes consumers will not put BMWs and the Japanese cars on the same plateau.

Wayne Jefferey, general manager of Toyota Canada's Lexus division and an ex-BMW executive, believes the Europeans will lose sales to Lexus. His first target group, however, are buyers moving upscale from the Toyota Cressida to European models.

His second target group is domestic luxury car owners. The third is European car owners. He admits the latter group are less likely to cross over.

Other car company spokesmen admit to concern over Lexus and Infiniti. Audi's Finestone said, "We'll be competitively priced, plus we'll have our warranty. We're worried but not terrified."

John Arnone, Jaguar's director of public affairs, said "with all due respect, they're green. It'll take them a long time to settle in and by then we'll have new product."

Canada car sales dip

Feb. sales slip 6% but trucks rise 5%

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — Canadian sales of domestic and imported cars slipped again in February, but the 6.4 percent drop was not as high as the 8.6 percent decline in January. Trucks sales, however, increased 4.6 percent.

Domestic cars led the slide, dropping 8.94 percent, while imports stayed virtually even, logging 21,709 sales compared with 21,945 in February 1988. There was one less selling day in February versus the year-earlier month.

"Sales are holding up reasonably well despite the growing concern with regard to higher borrowing costs," said William Atkinson, GM of Canada's vice president, sales, service and marketing. "We are hopeful that the inflationary pressures will soon ease and interest rates will begin to fall."

Ford suffered the most of the domestic makers, both on a percentage and unit basis. The company's car sales were down 19.71 percent from a year ago.

Udo Kaul, Ford of Canada's vice president, general sales, said the steep decline was attributed to unusually high sales a year earlier.

"Car sales are down mainly because of the contrast with high Tempo and Topaz catchup sales recorded last year after a three-month plant shutdown," he said. Comparing last month's result "to those inflated sales numbers accounts for 13 of our 19 percentage point decline."

In other segments, "Ford did very well. Escort sales were up 19.9 percent. Thunderbird and Cougar sales were up 21.1 percent, and before we've even officially introduced it, we've (taken orders for) nearly a quarter of available Festiva minicars," Kaul said.

While car sales slipped, light trucks were up, a segment showing continuing strength.

Imports led the monthly gain, rising 37.24 percent, strongly paced by Mazda and its new MPV. Mazda's sales jumped 115 percent to 1,459 units in February, up from 678 a year earlier.

Domestic truck sales held about even at 28,646, compared with 28,490 a year earlier.

Chrysler's light truck, van and Jeep sales increased 6.5 percent. In spite of having five major competitors (GM, Ford, Mazda, Nissan and Toyota), Chrysler's minivan continues to command close to 60 percent of that segment.

Ford managed to post a small gain of 387 units, due to strong Aerostar sales, especially the long wheelbase version. GM's light-truck sales slipped 6.32 percent.

Overall, domestic and imported truck sales posted a combined sales gain of 4.59 percent for the month and 3.34 percent year-to-date.

Total vehicle sales are down 2.95 percent for the month and 3.96 percent year-to-date.

CANADIAN CAR AND TRUCK SALES

	Feb. 1989	Feb. 1988	2 mos., 1989	2 mos., 1988
Domestic cars				
General Motors	21,170	23,246	38,473	42,157
Ford	11,103	13,829	21,612	25,481
Chrysler	8,053	9,461	14,326	17,395
Honda	2,385	553	4,784	943
Volvo	300	143	556	262
Domestic car total	**43,811**	**47,232**	**79,751**	**86,238**
Import cars				
Toyota	4,946	4,357	8,870	8,580
Honda	3,031	3,870	5,352	7,504
Hyundai	2,256	2,011	4,203	4,206
Mazda	1,961	2,433	3,335	3,912
Nissan	1,885	1,621	3,123	3,107
General Motors	1,767	1,444	3,235	2,804
Volkswagen	1,714	2,593	3,395	4,924
Chrysler	1,594	873	2,616	1,677
Suzuki	502	518	933	865
Ford	429	402	722	822
Subaru	370	485	771	945
BMW	330	303	694	665
Jaguar	246	255	372	415
Mercedes-Benz	240	262	519	493
Volvo	211	320	422	619
Saab	129	96	245	188
Lada	63	76	114	157
Skoda	27	45	46	63
Peugeot	8	3	27	12
Import car total	**21,709**	**21,945**	**38,994**	**41,983**
TOTAL — ALL CARS	**64,720**	**69,177**	**118,726**	**128,221**
Domestic trucks (including vans)				
GM	10,458	11,163	20,303	21,092
Ford	10,429	10,042	19,338	19,256
Chrysler	7,759	7,285	13,956	13,669
Domestic truck total	**28,646**	**28,490**	**53,597**	**54,017**
Import trucks (including vans)				
Mazda	1,459	678	2,288	1,103
Toyota	1,056	1,001	2,093	1,936
Nissan	903	982	1,725	1,855
GM	660	100	1,264	161
Suzuki	509	441	980	757
Chrysler	207	220	453	525
Volkswagen	28	91	59	123
Lada	13	10	34	18
Import truck total	**4,835**	**3,523**	**8,916**	**6,478**
TOTAL — ALL TRUCKS	**33,481**	**32,013**	**62,513**	**60,495**
TOTAL — CARS, TRUCKS	**98,201**	**101,190**	**181,239**	**188,716**

LEGAL BRIEFS

Service contract buyers sue National Warranty

A class action filed in a North Carolina state court seeks refunds for thousands who bought extended warranty coverage on used cars from National Warranty Corp.

In 1985 and 1986, some 30,000 persons paid a total of $7 million for National Warranty Corp. policies designed to cover repairs for up to five years. The company operated in North Carolina, South Carolina, Virginia, West Virginia, Georgia, Alabama and Texas.

The lawsuit was filed by the law firm of Moore and Brown, which has offices in Washington and Winston-Salem, N.C. It seeks unspecified compensatory and punitive damages, charging breach of contract, breach of "service contract" as defined in the 1974 Magnuson-Moss Warranty Act, unfair and deceptive trade practices and fraud.

The suit charges that in September 1986, the company, based in Kinston, N.C., canceled the service contracts without making refunds for the time remaining on the agreements and without reimbursing many policyholders for repairs made before cancellation.

National Warranty had told dealers they would be free of liability because either it or its underwriter, Interstate Casualty Insurance Co., would cover the repairs.

Interstate and its owner, William C. Shackelford, who also owns National, are also named in the suit.

In 1986, North Carolina's insurance department warned National Warranty that because it was not licensed to sell insurance, its service contracts may have violated state law.

The suit charges that instead of obtaining the necessary licenses and putting up reserves to cover potential liability, Shackelford changed the contracts to make dealers liable for the repairs if National Warranty did not pay valid claims. The suit said new dealer contract sales then fell off sharply.

In August and September 1986, according to the suit, National Warranty, referring only to "underwriter request," canceled all policies and gave only a few refunds. The suit charges Shackelford with preventing National Warranty from getting any funds from Interstate to pay for refunds.

After receiving hundreds of consumer complaints about policy cancellations, the state moved against National Warranty and obtained an agreement from the company last February whereby National will pay the state $122,429 for all remaining consumer claims.

That agreement covers only 2,000 persons who complained to the state, the suit said. It added that 10,000 to 20,000 others, including purchasers, dealers and repair shops, may be eligible for refunds.

— Helen Kahn

Alabama dealer fights $225,000 fraud award

A jury has awarded $224,000 in punitive damages and $1,000 in compensatory damages to a customer in a fraud case brought against Sunbelt Chrysler-Plymouth in Mobile, Ala.

Vincent F. Kilborn, an attorney for the dealership owned by Allen Holzhauer, said two post-trial motions have been filed, one seeking a new trial and the other to reduce damages. If both are rejected, an appeal is planned, he said.

The customer, Roosevelt Davis, entered an agreement to buy a 1987 Dodge B-250 van for almost $30,000 if Davis could get the loan approved by his credit union. Davis' trade-in was valued at $1,000. The credit union refused financing, and Davis said the dealer would not tear up the retail contract and cancel Davis' order. Davis sued for fraud and converting his trade-in as a dealer sale.

Holzhauer said Davis first accepted the van, which the dealer had financed through a bank, but then turned down the deal.

Kilborn, the dealer's attorney, said the verdict — with punitive damages 224 times the compensatory damages — is a record for Alabama.

— Helen Kahn

Judge refuses GM plea on second collision

A Florida appellate judge has refused a motion by General Motors to dismiss a suit charging that a 1985 Corvette was defective because it did not have air bags or restraints to protect its occupant in a secondary collision.

GM argued there is no cause of action under Florida law for failure to install air bags and that the federal government's 1966 vehicle safety law pre-empts such action.

Palm Beach Circuit Judge Jack H. Cook disagreed, siding with the plaintiff, Betty E. Seemann, who was wearing the car's seat belt during the accident.

"As plaintiff notes, she is not claiming that General Motors was negligent because it chose to equip the Corvette with a seat-belt restraint system as opposed to an air-bag restraint system," Cook said in his opinion.

"Rather, she is alleging that the vehicle as equipped is designed defectively because it did not impose some restraint system that would protect her from the secondary collision." He found those charges sufficient for a cause of action under Florida law.

Cook also said that the law states that compliance with a federal safety standard "does not exempt any person from liability under common law."

— Helen Kahn

Court says lemon owner can recover loan fees

A U.S. District Court judge has ruled that finance charges are recoverable under Pennsylvania's lemon law.

General Motors brought the case to clarify the state law after a consumer, who won an arbitration case, sought reimbursement of finance charges.

GM said the Pennsylvania law does not specifically mention finance charges, and those charges, unlike lien fees, sales tax, license and document fees, are not part of the "collateral" fees related to the purchase of the car.

GM said finance charges are separated from "collateral charges" in the lemon laws of Connecticut, Kentucky, Ohio and North Carolina, whereas in Virginia and Florida collateral charges specifically include finance charges.

U.S. District Judge Charles R. Weiner ruled that by not defining "collateral charges," Pennsylvania meant to construe the phrase "liberally as to allow the innocent purchaser to recover all possible charges."

Weiner said there were two earlier opinions by the federal District Court for the eastern district of Pennsylvania that said finance charges are recoverable under the state's lemon law.

— Helen Kahn

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ATD

FROM PAGE 1

The truck dealers in ATD's 20 Groups averaged $33,400 a month in profit before taxes, based on the 2.2 percent rate of return and average sales of $1,518,200 a month. Dealers' average monthly gross profit rose to $216,500 from $188,600 in 1987. Their average monthly expenses also rose to $190,900 from $178,800 in 1987, reflecting increased business.

Expenses as a percent of sales rose to 13.6 percent from 13.1 percent in 1987. However, expenses as a percent of gross profit dropped to 93.8 percent from 94.8 percent in 1987. That is a particularly positive indicator because gross profit went up while the percent of the gross to cover expenses declined.

Dealers' parts, labor and warranty sales declined 1.79 percent in 1988 to an average of $390,000 a month compared to $397,000 in 1987.

Their warranty receivables from factories for labor and parts were up sharply — another indication that they did more warranty business.

Warranty receivables as a percent of warranty sales increased to 304.1 percent from 282.1 percent in 1987. That means for every $100 in warranty work a dealer did, he carried on his books $304.10 owed by the factories.

"That number is terrible," Young said, calling it both a major and a complex industry problem for which both the factories and dealers share some of the blame.

The problem is chiefly due to extra administrative costs that have been imposed on dealers by the new super warranties, along with slow payments by factories and, in some instances, dealers being required to install parts without a markup, Young said. Super warranties include components that used to be warrantied for 100,000 miles, for example, and now have 500,000-mile coverage.

TRUCK DEALERS' PROFITS CLIMB
Average monthly results for medium- and heavy-truck dealerships

	1988	1987	Percent change
Total sales	$1,518,200	$1,362,500	+11.43
New trucks	959,300	824,500	+16.35
Used trucks	153,000	133,300	+14.78
Parts	272,500	268,300	+ 1.57
Labor	90,300	104,800	−13.84
Warranty	27,500	23,900	+15.06
Expenses*	190,900	178,800	+ 6.77
As % of sales	13.6%	13.1%	—
As % of gross profits	93.8%	94.8%	—
Gross profit	216,500	188,600	+14.79
New-truck gross	59,500	46,997	+26.60
As % of new-truck sales	6.2%	5.7%	—
Used-truck gross	12,100	9,064	+33.50
As % of used-truck sales	7.9%	6.8%	—
Pre-tax profit	33,400	24,500	+36.33
As % of sales	2.2%	1.8%	—
Assets	4,783,800	4,499,100	+ 6.33
Return on assets	8.7%	6.6%	—
Net Worth	1,318,100	1,190,600	+10.71
Return on net worth	30.4%	24.9%	—

SOURCE: American Truck Dealers division, NADA
*Does not include cost of goods sold

Dealers' gross profit on new-truck sales increased to 6.2 percent from 5.7 percent in 1987. Young didn't consider the 1988 number very good, but called it a "move in the right direction."

Dealers averaged $153,000 a month in used-truck sales, compared to $133,300 in 1987. Their gross profit as a percent of such sales increased to 7.9 percent from 6.8 percent in 1987.

Meanwhile, heavy-truck manufacturers are generally looking for U.S. sales this year to be equal to or slightly below calendar 1988's total of 148,361.

In the medium-duty Classes 4-7 market, where General Motors, Ford Motor Co. and Navistar International Corp. account for about 90 percent of the sales, manufacturers are looking for U.S. sales to stay roughly in the same, 186,000-unit, range as last year.

Forecasts for U.S. heavy-truck sales range from a low of 137,000 Class 8 trucks by Freightliner to a medium-range forecast of 142,000 by Navistar to a bullish 149,000 projected by Volvo GM Heavy Truck.

Supplier Eaton Corp. is probably the most bullish about future sales, though. It is projecting 1989 North American factory sales of 175,000 to 180,000 heavy trucks — roughly comparable to 1988's 177,000. Factory sales to dealers for the heavy-truck market are very close, if not identical to, retail sales since heavy trucks are generally built to order.

Eaton expects North American Class 8 sales to be in the 205,000 to 210,000 range by 1993, based on its perception of how the market has adjusted to deregulation and replacement cycles.

AUCTION DATES

Chrysler Motors

April 11 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Hatfield Auto Auction, Hatfield, Pa.; Nashville Auto Auction, Nashville, Tenn.; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; and Greensboro Auto Auction, Greensboro, N.C.

April 12 — A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

April 13 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; Ark-La-Tex Auto Auction, Shreveport, La.; and Amarillo Auto Auction, Amarillo, Texas.

April 14 — Manheim Auto Auction, Manheim, Pa.

April 18 — Clanton's Auto Auction, Darlington, S.C.; Denver Auto Auction, Aurora, Colo.; Southern Auto Auction, Warehouse Point, Conn.; Hatfield Auto Auction, Hatfield, Pa.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; and Dallas Auto Auction, Grand Prairie, Texas.

Used Car Sales
Auction Averages

April 89	$6,157
Month ago	$5,678
Year ago	$5,997

Ford Motor Co.

April 11 — Greater Chicago Auto Auction, Chicago; Harrisonburg Auto Auction, Harrisonburg, Va.; Bay Cities Auto Auction, Hayward, Calif., and South Seattle Auto Auction, Kent, Wash.

April 12 — Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

April 13 — Auto Auction of Billings, Billings, Mont.; Greensboro Auto Auction, Greensboro, N.C.; Texas Hobby Auto Auction, Houston; and Skyline Auto Exchange, Fairfield, N.J.

Model Breakdown
Auction Averages

Year	APR 1989	MAR 1988	FEB 1988
1989 ...	$10,878	$12,197	$13,118
1988 ...	$9,041	$8,751	$8,235
1987 ...	$7,164	$7,338	$7,289
1986 ...	$6,804	$5,975	$6,014
1985 ...	$5,132	$4,978	$4,764
1984 ...	$4,170	$3,942	$3,840
1983 ...	$3,323	$2,867	$2,683
1982 ...	$2,219	$2,612	$2,187
Overall Average	$6,157	$6,061	$5,678

General Motors

April 11 — Southern Auto Auction, Warehouse Point, Conn.; Dallas Auto Auction, Grand Prairie, Texas; Manheim Auto Auction, Manheim, Pa.; and Florida Auto Auction of Orlando, Ocoee, Fla.

April 12 — Atlanta Auto Auction, Atlanta; Puget Auto Auction, Auburn, Wash.; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Omaha Auto Auction, Omaha, Neb.; and Southern California Auto Auction, Fontana, Calif.

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Florida Auto Auction Of Orlando Florida (407) 656-6200	Apr. 13	**Florida Auto Auction Of Orlando** Florida (407) 656-6200	June 8
Southwest Auto Auction Arizona (602) 894-2211	Apr. 18	**Manheim Auto Auction** Pennsylvania (717) 665-3571	June 15
Manheim Auto Auction Pennsylvania (717) 665-3571	Apr. 20	**Atlanta Auto Auction** Georgia (404) 762-9211	June 28
Atlanta Auto Auction Georgia (404) 762-9211	May 3	**Manheim Auto Auction** Pennsylvania (717) 665-3571	July 13
California Auto Dealers Exchange California (714) 996-2400	May 16	**California Auto Dealers Exchange** California (714) 996-2400	July 18
Manheim Auto Auction Pennsylvania (717) 665-3571	May 18	**Florida Auto Auction Of Orlando** Florida (407) 656-6200	July 20

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COX ENTERPRISES, INC.

Honda U.S. stock split part of world strategy

By Marcia Parker
CRAIN NEWS SERVICE

Honda Motor Co.'s recent five-for-one split of its American Depositary Receipt shares traded on the New York Stock Exchange is part of a larger attempt to rely less on cash flow for investment and more on global capital markets.

After purposely avoiding capital markets in recent years, Honda in March raised more than $700 million in the Euromarket. On April 3, it split its ADRs to make their trading price more attractive to U.S. investors.

Honda is striving to diversify its investor base, especially in the United States and Europe. About 8 percent of Honda is owned by foreign investors, including U.S. investors. This is on the high side for a Japanese company. The majority of its investors are Japanese financial institutions and corporations.

Foreign investors will be the key buyers of the bonds Honda issued in Europe to finance expansion of Japanese production facilities. The automobile manufacturer issued in the United Kingdom $500 million worth of bonds with warrants to subscribe for shares of common stock. Honda also issued in the Netherlands about $200 million worth of bonds with warrants.

In the past, Honda executives have been reluctant to float debt to finance capital projects, preferring to use cash, according to Fumihiko Ike, assistant to the senior vice president of Honda North America. Honda hasn't been in the market since 1985.

Honda, however, has made raising its profile in the global financial community a key objective, which is one catalyst for the new debt financings.

While the weak dollar and fierce competition among the world's automakers have put pressure on Honda, the company was able to boost sales and net income in calendar 1988.

Benjamin Moyer, who follows Honda for Merrill Lynch Capital markets, said in a report last month that because of its high dependence on North America, Honda should have been hit more than other Japanese automakers by the yen's rise. But he said profitability was sustained on volume growth, cost cuts, mix improvement and price hikes.

Honda is concentrating on expanding production in Japan, as well as the United States, Canada and Mexico.

The company is not planning to make big investments in Europe because it fears that when a unified European market is created in 1992, the barriers to foreigners will be high, said Wendy Beale, an auto analyst for Smith Barney, Harris Upham & Co., in a recent report.

Beale projects a 23 percent rise in operating income in the fiscal fourth quarter ended March 31, but expects ADR earnings to fall sharply because huge currency gains boosted year-earlier earnings per share. However, non-operating items should be less of a factor in fiscal 1990 and ADR earnings growth should be 10.1 percent, she said.

She said Honda, which is selling at 16.7 times Smith Barney's fiscal 1990 estimate, is a cheap stock by Japanese standards but an expensive one by U.S. levels, which might keep some U.S. investors at bay. It is selling at 47 percent premium to the Standard & Poor's 500 Stock Index, which Beale said fairly reflects the company's earnings prospects, but it also is dependent on the vagaries of both the yen and the Nikkei 225 stock exchange.

The April 3 change in Honda's basis of issuance of its ADRs to two common shares per ADR from 10 common shares was the second split since it first issued ADRs in 1962.

Prior to the split, the 52-week high and low for Honda's ADRs was $187.75 and $124.50, respectively. The ADR traded for $146.75 on March 31. Following the split, the ADR closed at $29.875 on April 3 and $30.25 on April 4.

Turbo long-wheelbase minivan debuts at Chrysler St. Louis plant

HIGHLAND PARK, Mich. — Chrysler Motors began production April 3 of its first turbo-powered long-wheelbase minivan at its St. Louis assembly plant No. 2.

Dodge Grand Caravan and Plymouth Grand Voyager LE and SE models are now available with an optional 2.5-liter turbocharged four-cylinder engine with three-speed automatic transmission. The engine-transmission package carries a discount of $510 from the manufacturer's suggested retail price.

The base price of the Dodge Grand Caravan and Plymouth Grand Voyager LE models is $16,462; the SE models are $14,526. The 3-liter V-6 with Ultradrive four-speed electronic automatic transmission is standard on those models.

The turbocharged 2.5-liter four-cylinder delivers 150 horsepower at 4,800 rpm and a net torque of 180 pounds-feet at 2,000 rpm.

Chrysler did not specify why the four-cylinder engine package is being offered. However, availability of the V-6, which is imported from Mitsubishi Motors, is limited and Chrysler has acknowledged it is correcting a design defect in the Ultradrive transmission.

Chrysler subsidiary named

WASHINGTON — Chrysler Technologies Airborne Systems is the name for a new subsidiary of Chrysler Technologies Corp. The new unit produces military aircraft products and systems.

Formation of the subsidiary was announced in January. It will be headquartered in Waco, Texas.

The new subsidiary combines military aviation functions of two Chrysler Technologies units: Gulfstream Aerospace Corp. and Electrospace Systems.

The new company will develop airborne electronic systems for both commercial and military aircraft markets. It will also modify large transport aircraft.

Chrysler Technologies is a subsidiary of Chrysler Corp.

SALES

DOMESTIC CAR SALES

	Mar. 21, to Mar. 31, 1989	Same Period 1988	Mar. Month 1989	Same Month 1988	Jan. 1, to Mar. 31, 1989	Same Period 1988
Alliance	0	293	0	739	0	2,893
Eagle	0	79	0	206	0	1,039
Premier	1,884	1,481	4,936	3,020	11,154	7,914
Total Eagle	1,884	1,853	4,936	3,967	11,154	11,846
Horizon	1,072	2,477	2,556	5,109	7,768	11,096
Laser	666	0	1,424	0	2,786	0
Sundance	2,799	3,216	6,797	7,481	20,166	18,331
Turismo	0	82	0	176	0	518
Reliant	1,405	5,634	3,309	13,501	9,838	36,720
Acclaim	3,197	0	7,380	0	13,632	0
Caravelle	40	857	95	2,151	319	6,163
Gran Fury	30	502	166	1,066	1,007	2,977
Total Plymouth	9,218	12,758	21,726	29,504	55,516	76,395
LeBaron K	43	1,592	121	3,262	398	7,760
LeBaron J	3,113	4,422	7,019	12,989	20,086	30,274
LeBaron GTS	193	713	489	1,624	1,511	4,485
Fifth Avenue	775	2,743	1,656	6,659	4,199	18,205
New Yorker C	3,707	2,414	8,453	5,511	25,962	12,924
New Yorker E	12	1,037	25	3,247	61	11,786
Total Chrysler	7,843	12,921	17,763	33,292	52,217	85,434
Omni	1,054	2,271	2,536	4,948	7,689	10,686
Shadow	2,938	3,371	7,139	7,787	20,293	21,529
Charger	0	79	0	207	0	502
Daytona	3,792	3,124	7,474	7,943	16,696	18,397
Aries	1,278	4,877	3,138	11,380	9,561	30,669
Lancer	111	499	287	1,127	924	3,086
Spirit	2,521	0	5,969	0	12,477	0
Diplomat	99	1,104	302	2,347	1,576	4,815
Dynasty	4,670	4,442	12,142	9,397	30,894	16,808
Dodge 600	36	816	92	1,694	304	5,438
Total Dodge	16,499	20,583	39,079	46,830	100,414	111,930
CHRYSLER MOTORS	35,444	48,125	83,504	113,593	219,301	283,491
Escort	11,755	15,290	28,649	34,737	87,918	92,059
Mustang	7,209	9,853	17,319	22,155	48,414	49,347
Tempo	8,914	10,259	19,451	25,164	59,783	72,250
Taurus	12,707	15,452	30,313	39,445	83,275	101,901
Thunderbird	4,438	5,651	13,061	12,973	30,392	33,937
Probe	4,438	1,296	10,879	2,401	29,930	2,401
Crown Victoria	4,631	5,950	10,017	12,685	25,480	30,873
Total Ford Div.	54,092	63,751	129,689	149,560	363,192	382,768
Lynx/Tracer	2,505	2,297	5,001	5,230	12,966	15,711
Topaz	3,700	3,376	8,713	7,579	23,810	20,372
Sable	4,568	4,843	9,902	11,456	25,907	31,169
Cougar	4,197	5,159	11,457	11,994	24,882	28,826
Grand Marquis	4,102	5,500	9,997	11,906	26,669	28,636
Total Mercury	19,072	21,175	45,070	48,185	114,436	124,714
Continental	2,065	2,161	5,184	4,942	14,507	10,500
Lincoln	4,381	5,468	9,866	11,614	25,750	29,839
Mark VII	1,164	1,035	2,556	2,354	6,277	5,724
Total Lincoln	7,610	8,664	17,606	18,910	46,534	46,063
Total L-M Division	26,682	29,839	62,676	67,095	160,970	170,777
FORD MOTOR CO.	80,774	93,590	192,365	216,655	524,162	553,545
Skyhawk	832	1,207	1,999	2,575	4,918	8,635
Somerset/Skylark	2,494	2,295	5,777	4,841	13,625	15,366
Century	5,655	4,819	12,201	9,872	34,976	30,165
Regal	3,088	5,583	6,914	11,203	19,308	30,089
LeSabre	5,031	8,314	10,299	15,998	26,309	43,493
Reatta	305	127	689	242	1,689	517
Electra	3,157	3,942	7,376	7,005	19,243	23,505
Riviera	767	339	1,738	862	4,391	2,959
Total Buick	21,329	26,626	46,993	52,596	124,437	154,749
Cimarron	13	334	48	743	212	1,655
Allante	140	177	331	333	823	809
Seville	1,331	737	2,547	1,805	8,030	4,696
DeVille	5,482	6,304	14,615	14,496	41,055	38,030
Brougham	1,768	2,094	3,932	4,364	9,155	9,551
Eldorado	1,633	1,342	3,516	3,058	8,030	6,276
Total Cadillac	10,367	11,488	24,989	24,599	65,305	61,219
Chevette	0	16	0	43	0	145
Geo Prizm/Nova	1,431	5,816	3,673	12,923	10,861	33,457
Cavalier	10,161	12,646	26,262	27,676	72,892	71,347
Camaro	3,803	4,674	9,417	10,586	24,705	22,922
Celebrity	7,926	11,486	21,808	24,314	66,956	71,286
Corsica/Beretta	13,294	17,653	35,861	38,032	86,767	101,120
Monte Carlo	0	2,011	132	4,432	558	11,680
Caprice	5,662	7,074	14,726	16,277	34,558	40,420
Corvette	892	1,120	1,776	2,642	4,337	9,186
Total Chevrolet	42,969	62,505	113,647	136,909	291,904	356,567
Firenza	2	433	2	831	8	4,222
Calais	3,385	4,526	7,683	9,182	21,741	25,338
Cutlass Ciera	6,743	9,914	16,052	19,835	48,757	58,451
Cutlass Supreme	2,994	6,167	6,403	10,867	27,446	35,458
Olds 88	5,517	8,429	12,828	16,865	34,954	46,919
Olds 98	3,084	3,779	6,829	7,353	17,402	20,979
Toronado	322	644	765	1,456	2,209	3,900
Total Oldsmobile	22,037	33,892	50,562	66,386	152,517	187,774
Fiero	162	883	346	2,529	937	7,868
Pontiac 1000	0	0	0	13	0	113
Sunbird	3,868	2,780	8,065	7,436	20,337	20,443
Firebird	3,362	2,490	7,132	6,948	14,024	15,570
Grand Am	6,561	8,653	16,684	22,022	45,562	60,204
Pontiac 6000	2,631	3,815	6,644	8,173	17,546	24,783
Grand Prix	4,819	2,851	12,111	9,479	36,450	17,236
Bonneville H	3,344	3,505	8,381	9,584	22,051	32,344
Paris./Safari	141	240	393	595	986	1,980
Total Pontiac	24,888	25,217	60,336	66,781	160,893	180,521
GENERAL MOTORS	121,590	159,728	296,527	347,273	795,056	942,830
HONDA	15,993	20,425	33,810	36,191	33,834	86,166
Civic	6,666	5,191	14,809	8,773	37,987	20,878
Accord	9,327	15,234	19,001	27,418	45,847	65,288
MAZDA	2,891	1,511	5,142	2,814	10,677	5,962
MITSUBISHI	838	0	1,631	0	3,878	0
NISSAN	5,789	3,984	10,374	7,784	27,089	17,621
TOYOTA	9,201	2,883	16,078	5,162	38,243	12,938
VOLKSWAGEN	0	2,475	0	4,286	0	11,449
DOMESTIC TOTAL	272,520	332,721	639,631	733,736	1,702,240	1,914,022
IMPORT TOTAL			245,161	269,433	650,417	734,107
INDUSTRY TOTAL			884,792	1,003,171	2,352,657	2,648,129

*—U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

Cars, trucks dip for March, year

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Despite incentives throughout the month, there was little wind in the sails of automotive retailing in March. Deliveries of new cars and trucks stumbled in the month and in the first quarter of the year.

New-car sales were down 11.80 percent for the month and 11.16 percent for the quarter. Sales have shown year-to-year declines in each month since November.

March sales of light trucks, domestic and foreign, eased by 9.79 percent in March and were off 7.06 percent in the quarter.

MARKET SHARES, Mar. 1989

	Total Sales	Pct. of Total
SUBCOMPACT	86,930	9.82
COMPACT	158,956	17.90
INTERMEDIATE	279,826	31.62
STANDARD	111,377	12.59
SPECIALITY	3,142	0.36
IMPORT	245,161	27.71
TOTAL	884,792	100.00

Combined car and light-truck sales totaled 1,311,664 in March, down 11.15 percent from 1,476,343 last year. For the January-March period, car-truck deliveries were 3,480,732, a decline of 9.87 percent from 3,861,848 in 1987.

Dealers handling cars built in this country saw March retail deliveries slump 12.83 percent to a total of 639,631 units compared to 733,738 a year earlier.

Sales of imported cars dipped 9.01 percent to 245,161 vs. 269,433 in March 1988.

Combined domestic and foreign car sales totaled 884,792 in March, down 11.80 percent from 1,003,171 in March 1988.

In the month's final 10-day period, sales of domestic cars fell to 272,520 units, down 18.09 percent from 332,721 a year ago.

Sales of domestic cars in the first quarter of this year were off 11.06 percent. The total of 1,702,240 compared to 1,914,022 in 1987.

Import sales in 1989's first three months were off 11.40 percent and totaled 650,417 compared to 734,107 in the initial quarter of 1988.

Combined quarterly sales of domestic and imported cars were off 11.16 percent, totaling 2,352,657 against 2,648,129 in 1988.

Year-to-year declines in domestic-car sales for March and the three months were reported by each of the Big 3 and by Honda. Toyota, Mazda and Nissan gained for both periods in sales of U.S.-built cars. Mitsubishi, which had no domestic car sales last year, reported sales of 1,831 units in March this year and 3,878 in the quarter.

Toyota's sales of U.S.-built cars in March were up 211.47 percent with deliveries of 16,078 units vs. 5,162 a year before. Camry models produced at its new Georgetown, Ky., plant sparked the surge. Nissan's deliveries of 10,374 units were up 33.27 percent, from 7,784

see SALES, page 55

IMPORTED CAR SALES

	March 1989	March 1988	3 Mos., 1989	3 Mos., 1988
Acura	11,805	10,470	30,783	28,495
Alfa Romeo	254	545	709	1,308
Audi	1,360	1,843	4,627	5,275
BMW	6,057	6,403	17,476	16,762
Chevrolet	8,194	10,111	23,513	31,118
Chrysler	803	963	1,790	2,405
Daihatsu	1,217	804	3,340	2,587
Dodge	3,814	5,277	9,920	14,179
Ford	6,675	6,894	19,354	18,062
Eagle	3,185	1,624	7,934	6,523
Honda	16,796	18,567	48,895	59,840
Hyundai	20,461	26,166	49,691	71,026
Isuzu	1,749	1,875	4,545	4,684
Jaguar	1,630	1,854	4,483	4,422
Maserati	24	104	57	249
Mazda	18,711	22,430	50,760	58,838
Mercedes-Benz	6,570	7,603	17,148	19,302
Mercury	885	784	2,552	2,267
Mitsubishi	8,028	5,700	18,342	16,273
Nissan	38,906	39,536	96,375	92,163
Peugeot	565	563	1,426	1,247
Plymouth	3,475	4,691	9,008	12,802
Pontiac	4,076	6,843	11,417	13,996
Porsche	667	1,872	1,808	4,426
Saab	2,638	3,996	7,918	9,791
Sterling	384	937	1,784	3,054
Subaru	14,321	13,951	37,778	36,498
Suzuki	480	0	1,586	0
Toyota	39,041	42,734	104,838	127,050
Volkswagen	12,834	12,567	30,688	36,421
Volvo	8,751	8,293	25,400	24,123
Yugo	827	3,563	2,458	8,921
TOTAL	245,161	269,433	650,417	734,107

*—Volkswagen totals include U.S.-built models sold after June 30, 1988. Sales charts compiled by Karen Dabkowski

U.S. CAR SALES BY MARKETING UNITS

	March 1989	Percent Share	March 1988	Percent Share	3 Mos., 1989	Percent Share	3 Mos., 1988	Percent Share
Alfa Romeo	254	0.03	545	0.05	709	0.03	1,308	0.05
American Honda	62,411	7.05	65,226	6.50	163,512	6.95	174,501	6.59
BMW	6,057	0.68	6,403	0.64	17,476	0.74	16,762	0.63
Buick	46,993	5.31	52,596	5.24	124,437	5.29	154,749	5.84
Cadillac	24,989	2.82	24,599	2.45	65,305	2.78	61,219	2.31
Chevrolet	121,841	13.77	147,029	14.66	315,417	13.41	389,695	14.72
Chrysler	18,596	2.10	34,255	3.41	54,007	2.30	87,839	3.32
Daihatsu	1,217	0.14	804	0.08	3,340	0.14	2,587	0.10
Dodge	42,893	4.85	52,107	5.19	110,334	4.69	126,109	4.76
Eagle	6,121	0.92	5,591	0.56	19,068	0.81	16,255	0.61
Ford	136,384	15.41	156,454	15.60	362,546	15.26	400,830	15.14
Hyundai	20,461	2.31	26,166	2.61	49,691	2.11	71,026	2.68
Isuzu	1,749	0.20	1,875	0.17	4,549	0.19	4,684	0.18
Jaguar	1,630	0.18	1,854	0.18	4,483	0.19	4,422	0.17
Lincoln	17,606	1.99	18,910	1.89	46,534	1.98	46,063	1.74
Maserati	24	0.00	104	0.01	57	0.00	249	0.01
Mazda	23,853	2.70	25,244	2.52	61,437	2.61	64,820	2.45
Mercedes	6,570	0.74	7,603	0.76	17,148	0.73	19,302	0.73
Mercury	45,935	5.19	48,929	4.88	118,988	4.97	126,981	4.80
Mitsubishi	9,857	1.11	5,790	0.58	22,220	0.94	16,273	0.61
Nissan	49,280	5.57	47,320	4.72	125,484	5.33	109,784	4.15
Oldsmobile	50,562	5.71	66,386	6.62	152,517	6.48	187,774	7.09
Peugeot	565	0.06	563	0.06	1,426	0.06	1,247	0.05
Plymouth	25,201	2.85	34,195	3.41	64,524	2.74	89,197	3.37
Pontiac	64,412	7.28	73,624	7.34	172,310	7.32	194,517	7.35
Porsche	667	0.08	1,872	0.19	1,808	0.08	4,426	0.17
Saab	2,638	0.30	3,996	0.40	7,918	0.34	9,791	0.37
Sterling	384	0.04	937	0.09	1,784	0.08	3,054	0.12
Subaru	14,321	1.62	13,951	1.39	37,778	1.61	36,498	1.38
Suzuki	480	0.05	0	0.00	1,586	0.07	0	0.00
Toyota	55,119	6.23	47,896	4.77	143,081	6.08	139,988	5.29
Volvo	8,751	0.99	8,293	0.83	25,400	1.08	24,123	0.91
VWoA	14,194	1.60	18,696	1.86	35,315	1.50	53,145	2.01
Yugo	827	0.09	3,563	0.36	2,458	0.10	8,921	0.34
TOTAL	884,792	100.00	1,003,171	100.00	2,352,657	100.00	2,648,129	100.00
TOTAL GM	308,797	34.91	384,227	38.30	829,986	35.28	987,944	37.31
TOTAL FORD	199,905	22.59	224,293	22.36	546,068	23.21	573,874	21.67
TOTAL CHRYSLER	94,781	10.71	126,148	12.57	247,953	10.54	319,400	12.06
TOTAL JAPANESE	218,287	24.67	207,908	20.73	562,967	23.93	549,135	20.74
TOTAL EUROPEAN	42,561	4.81	54,429	5.43	115,992	4.93	146,750	5.54
TOTAL KOREAN	20,461	2.31	26,166	2.61	49,691	2.11	71,026	2.68

Big 3 totals include their captive imports. Percent share may contain error of one or two points due to rounding.

LIGHT-DUTY TRUCK SALES

	Mar. 1989	Mar. 1988	3 Mos. 1989	3 Mos. 1988
Vans	16,297	21,557	41,136	49,004
Aerostar	18,749	18,210	47,351	46,767
Club Wagon	2,721	3,049	6,153	7,279
Ranger	23,087	28,447	66,869	74,695
Bronco	6,070	5,402	16,071	19,058
Bronco II	8,911	10,616	27,380	30,176
Pickups	53,145	61,310	141,692	159,701
Ford	129,980	168,582	346,694	372,696
Vans	10,257	12,739	24,691	28,357
Sportsvan	1,089	2,089	2,594	4,249
Geo Tracker	786	0	2,161	0
Astro	11,950	15,666	31,349	41,847
S-10	28,315	39,493	53,499	61,068
S-10 Blazer	14,745	12,139	42,292	36,036
El Camino	0	62	0	353
Blazer	2,882	2,576	5,657	7,977
Suburban	6,575	6,099	14,857	15,849
Pickups	51,969	46,676	128,167	126,924
Chevrolet	118,089	121,489	302,588	323,948
Vans	5,769	6,286	15,522	16,089
Ram Wagon	2,271	2,517	5,903	6,569
Voyager	16,772	17,476	44,522	44,087
Caravan	16,497	16,942	40,702	45,869
Mini Ram Van	1,523	1,639	4,089	4,321
Ram 50	2,894	6,282	7,806	15,873
Raider	439	492	1,457	2,057
Ramcharger	1,867	2,594	5,053	5,999
Dakota	8,786	0	24,099	23,994
Pickups	8,802	8,386	23,053	21,746
Chrysler	67,344	74,712	182,894	199,499
Vans	3,492	5,222	9,231	11,336
Sidekick	2,613	3,369	7,351	7,884
S-15	4,362	5,498	11,839	13,156
S-15 Jimmy	3,494	5,236	10,234	8,762
Jimmy	823	986	1,748	2,141
Caballero	0	0	0	54
Suburban	1,984	2,360	5,464	5,483
Pickups	14,898	16,367	36,628	36,159
P Model	367	227	1,012	986
W-4	116	73	368	329
GMC	32,491	39,591	82,779	86,214
Wrangler	4,986	3,550	11,017	8,721
Wagoneer	529	915	1,885	2,410
Cherokee	12,022	13,389	34,500	34,798
Grand Wagoneer	959	1,386	2,778	3,453
Comanche	2,440	2,943	8,458	9,549
J-10/J-20	0	25	0	191
Jeep	20,476	22,927	58,988	58,899
Toyota	19,176	23,528	49,858	57,728
Nissan	16,967	14,928	46,074	41,668
Mazda	8,411	10,567	21,504	25,981
Isuzu	8,313	6,309	21,912	19,127
Mitsubishi	3,047	4,887	9,310	12,964
Suzuki	3,124	6,406	7,506	16,783
Subaru	0	3	0	7
Range Rover	355	372	1,191	897
Imports	59,333	67,399	167,953	176,199
Industry Total	426,872	473,172	1,128,075	1,213,719

Compiled by Karen Dabrowski

SALES

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a year before and Mazda's were up 82.73 percent in the month to total 5,142 against 2,814 in March 1988.

First-quarter sales of U.S.-built cars nearly tripled for Toyota and were up 78.49 percent for Mazda and 53.73 percent for Nissan.

Sales of domestically built Honda cars eased 6.58 percent in March and 2.71 percent in the quarter.

Chrysler Motors dealers delivered 26.49 percent fewer domestic cars in the month and 22.64 percent fewer cars in the 1989 quarter. General Motors dealers delivered 14.61 percent fewer cars in the month and 15.67 percent fewer cars in the first three months of the year compared to the similar 1988 periods. Ford Motor Co. dealers' new-car deliveries were down 11.20 percent in March and 5.31 percent in the quarter.

Although 1989 sales have been generally lackluster, only Ford among the Big 3 has publicly reduced its 1989 car sales forecast.

The sizable plunge in light-duty truck sales in the United States in March reflected a steady, continued softness in the market.

Manufacturers retailed 426,872 light trucks in March, 9.79 percent fewer than in the year-earlier period. In February, truck sales were down 10.75 percent.

With sales of 1,128,075 light trucks for the first three months, 1989 trails last year by 7.06 percent.

Domestic manufacturers continued to gain market share against foreign-based firms, though the latter's market erosion appears to be leveling off.

Domestics grabbed 86.10 percent of the market in March, up from 85.84 percent a year ago.

For three months, they held 86.08 percent of the market compared to 85.48 percent in 1988.

Chevrolet accounted for all the market share gain chalked up by the domestic truck industry in March.

Chevrolet garnered 27.83 percent of the market in March, up from 25.66 percent a year earlier.

Ford's light-truck share dropped to 30.18 percent in March from 31.81 percent last year.

GMC's share dipped to 7.52 percent from 7.73 percent.

Chrysler's share held steady at 15.78 percent vs. 15.79 percent a year ago; while Jeep's share declined slightly to 4.80 percent from 4.85 percent last year.

There were few bright spots in the March truck report.

GM's compact sport-utilities, the Chevrolet S-10/GMC S-15, continued to buck the overall market by showing increases over last year. Sales of the S-10 Blazer were up 21.47 percent in March, while S-15 Jimmy sales were up 6.00 percent.

Sales of the Jeep Wrangler were up 28.33 percent.

Domestic stock rises to 77 days

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Domestic auto companies and their car dealers, awaiting the traditional spring selling season, entered April with inflated inventories of new, unsold cars.

The April 1 stockpile of domestically produced cars equaled a 77-day supply — a full two weeks more than the 63 days' supply the industry averaged on April 1 the past five years.

Car stocks on April 1 totaled 1,822,224, the highest count since the record of 1,900,096 cars in inventory on July 1, 1987.

The April 1 stockpile was more than 25,000 units greater than the March 1 inventory of 1,796,544 unsold cars, which represented a 78-day supply. On April 1, 1988, inventory stood at 1,574,529 — a 58-day supply.

During March 1988, the Big 3 offered retail incentives, and General Motors and Ford Motor Co. sweetened them in the final days of the month.

The need for the new incentives was apparent, with GM at an 83-day supply, or 916,180 cars in stock, Chrysler Motors at an 80-day supply, or 246,599, and Ford with an 81-day supply, or 575,800.

Both GM and Chrysler additionally took the inventory-reduction step of idling plants during the past few months. GM extended some of the shutdowns to two and three weeks instead of the usual one-week closings.

By company on April 1, domestic inventory shares were as follows: GM, 50.28 percent; Ford, 31.60 percent; Chrysler, 13.53 percent; Honda, 2.02 percent; Nissan, 1.11 percent; Toyota, 0.82 percent; Mazda, 0.54 percent; and Mitsubishi, 0.10 percent.

The year-earlier the shares were: GM, 51.35 percent; Ford, 28.71 percent; Chrysler, 15.55 percent; VW, 1.53 percent; Nissan, 1.15 percent; Honda, 0.97 percent; Toyota, 0.41 percent; and Mazda, 0.33 percent.

There were several models with inventory in excess of 100 days' supply on April 1.

A number of car lines showed substantial month-to-month increases March 1 to April 1: Geo Prizm/Nova, 246 vs. 180; Cutlass Supreme, 150 vs. 81; Monte Carlo, 121 vs. 42; and Regal, 124 vs. 105.

The uneven inventories mean some dealers may find themselves short of some models. Although overall stocks were glutted, car lines with less than a two-month supply included: Honda, 29 days; Toyota, 25 days; Mitsubishi Eclipse, 26 days; Dynasty, 44 days; Celebrity, 46 days; Continental, 55, Laser, 57 days; and Plymouth Acclaim, 59.

Shares by market classification on April 1 were: intermediate, 43.88 percent; compact, 23.35 percent; standard, 18.06 percent; subcompact, 13.91 percent; and speciality, 0.80 percent.

On April 1, 1988 the segment shares were: intermediate, 42.90 percent; compact, 24.26 percent; standard, 18.79 percent; subcompact, 12.78 percent; and specialty, 1.27 percent.

DOMESTIC DAYS' SUPPLIES

	Apr. 1 1989	Mar. 1 1989	Apr. 1 1988
Alliance	—	—	76
Eagle	—	—	63
Premier	111	109	123
Total Eagle	111	109	112
Horizon	91	119	71
Laser	57	61	71
Sundance	82	76	89
Tracer	—	—	63
Reliant	76	89	46
Acclaim	59	72	59
Caravelle	119	139	118
Gran Fury	71	43	83
Total Plymouth	79	63	54
LeBaron K	87	114	56
LeBaron J	103	99	43
LeBaron GTS	233	249	147
Fifth Avenue	117	217	47
New Yorker C	69	69	83
New Yorker E	189	437	56
Total Chrysler	99	91	56
Omni	97	121	78
Shadow	79	69	69
Charger	—	—	69
Daytona	91	136	49
Aries	77	88	47
Lancer	386	339	109
Spirit	71	72	—
Diplomat	87	82	71
Dynasty	44	49	56
Dodge 600	149	162	61
Total Dodge	71	70	60
CHRYSLER MTRS.	80	87	58
Escort	87	88	68
Mustang	62	60	46
Tempo	69	80	59
Taurus	73	71	47
Thunderbird	73	68	61
Probe	69	61	60
Crown Victoria	94	98	47
Total Ford Div.	69	76	55
Lynx/Tracer	122	147	101
Topaz	76	81	66
Sable	91	87	62
Cougar	69	80	74
Grand Marquis	69	73	40
Total Mercury	76	80	62
Continental	53	54	10
Lincoln	70	71	67
Mark VII	169	136	57
Total Lincoln	71	74	51
Total L-M Division	77	85	59
FORD MOTOR CO.	81	81	56
Skyhawk	130	161	119
Somerset/Skylark	78	93	71
Century	66	67	53
Regal	124	105	76
LeSabre	74	58	43
Reatta	155	199	92
Electra	99	93	57
Riviera	114	120	66
Total Buick	88	88	61
Cimarron	7	21	131
Allante	106	122	147
Seville	80	87	89
DeVille	71	88	77
Brougham	71	93	70
Eldorado	75	87	64
Total Cadillac	71	70	76
Chevette	—	—	126
Geo Prizm/Nova	246	180	88
Cavalier	71	67	58
Camaro	90	98	73
Celebrity	46	64	68
Corsica/Beretta	81	103	63
Monte Carlo	121	42	112
Caprice	85	84	69
Corvette	125	133	75
Total Chevrolet	80	87	67
Firenza	57	75	137
Celeb	120	108	74
Cutlass Ciera	89	74	49
Cutlass Supreme	150	81	71
Olds 88	85	83	58
Olds 98	79	87	66
Toronado	149	144	75
Total Oldsmobile	103	85	61
Fiero	80	146	106
Pontiac 1000	—	—	85
Sunbird	71	70	58
Firebird	84	153	51
Grand Am	74	58	48
Pontiac 6000	86	90	59
Grand Prix	77	59	42
Bonneville H	89	97	47
Paris./Safari	127	149	76
Total Pontiac	78	75	52
GENERAL MTRS.	83	83	65
HONDA	29	30	11
MAZDA	82	90	50
MITSUBISHI	26	26	—
NISSAN	53	53	63
TOYOTA*	25	24	34
VOLKSWAGEN	—	—	152
DOM. TOTAL	77	78	58
Subcompact	57	57	45
Compact	73	70	53
Intermediate	77	81	59
Standard	80	82	58
Specialty	125	141	94

Raider hits Toyota affiliate

Pickens buys 20% of Japan supplier

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Corporate raider T. Boone Pickens Jr. revealed last week that he has purchased 20 percent of a Toyota affiliate.

The Texas-based investor acquired stock in Koito Manufacturing Co., an auto light maker and major Toyota supplier. Toyota owns 19.1 percent of the company.

Pickens denied he purchased the stock in an effort to "greenmail" Toyota into buying out his shares.

If greenmail is Pickens' aim, the market is signaling him that it won't work, according to analyst Stephen Usher, Kleinwort Benson International, Tokyo. Not only might Toyota not respond, but other Japanese firms might refuse to trade Koito stock in a united front against an unfriendly takeover.

Analysts say Pickens is eyeing Toyota's 1.3 trillion yen ($10 billion) in cash and liquid assets.

In 1987, a domestic investor bought up 7 percent of the Toyota Automatic Loom Works, the founding company of the Toyota group. Within two months, a settlement was reached, and Toyota bought back the shares for 30 billion yen ($230 million).

But there was undoubtedly some emotional factor involving the founding company.

Koito has been subject to frequent speculative moves, pushing up the stock price from 700 yen ($5.38) a few years ago to 5,470 yen ($42.07) — double most auto issues — a few days before Pickens' announcement. The stock dropped 14 percent when Pickens' interest was revealed.

SUBARU

FROM PAGE 1

"He was using it for personal gain, knowing it was an inflammatory issue."

Lloyd said the ruling means he won't recover his $700,000 investment in the Subaru dealership that he operated for four days.

He had acquired the franchise from Warren Henry Subaru, which is about three miles from his dealership. Lloyd said he will probably drop Warren Henry Subaru from the suit. Lloyd cited a long-time friendship with the owner as the reason. Lloyd had paid $339,000 to the owner for the inventory and parts.

Lloyd built a showroom, created advertising and participated in a Florida auto show as a Subaru dealer. But four days after he obtained the franchise from Warren Henry Subaru, Subaru said it was canceling the letter of intent. Lloyd sold three cars from the inventory he acquired before the company took down his signs.

"I am very disappointed in the ruling," said Lloyd. "I just lost $700,000, but I'm still the largest used-car dealer in Miami."

Lustbader said Subaru has several black dealers. The company is searching for a dealer for Warren Henry Subaru's franchise, he said.

PRODUCTION

Truck output sets record for quarter

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. truckmakers built more trucks in the first quarter of this year than in any other first quarter.

Truck output reached 1,158,338 units, 7.26 percent higher than the previous first-quarter record of 1,079,887, set in 1988. The total was 12.22 percent more than the last year's fourth-quarter build of 1,032,183.

In March, truck production totaled 396,020, 3.93 percent more than February's 381,046 but slightly (0.25 percent) below the year-ago month's 396,997.

Last week's targeted truck output of 89,040 was 15.67 percent above the prior week's 76,977 and 18.45 percent higher than the year-ago week's 75,171.

Auto output for the first quarter was 1,899,299, a bit above (0.99 percent) the 1988 fourth-quarter total of 1,880,687 and 11.70 percent more than the year-ago quarter's 1,700,404.

March car assembly of 652,146 was 7.08 percent above the February total of 609,024 but was 1.16 percent below the year-ago month's 659,793.

Scheduled auto output last week totaled 160,166, 22.81 percent more than the previous week's 130,416 and 18.96 percent more than the year-ago week's 134,637.

Companies split last week's estimated build as follows: General Motors, 47.56 percent; Ford Motor Co., 26.36 percent; Chrysler Motors, 12.05 percent; Honda of America Manufacturing, 4.84 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.19 percent; New United Motor Manufacturing Inc., 2.50 percent; Nissan Motor Manufacturing Co. U.S.A., 1.46 percent; Toyota Motor Manufacturing U.S.A., 1.25 percent; and Diamond-Star Motors, 0.79 percent.

GM's Doraville, Ga., plant and its Reatta Craft Centre in Lansing, Mich., are idle until April 17 for inventory adjustment.

The Jeep Grand Wagoneer line in Toledo, Ohio, is shut down until April 17 to adjust inventory.

Canada trucks climb to peak

Canadian truckmakers set a quarterly production record with first-quarter assembly of 260,430.

The total surpassed the prior first-quarter peak of 245,463 built in 1988 and also beat the 1988 fourth quarter's 247,025, which had been highest quarter ever.

Last month's truck assembly totaled 87,379, slightly above (0.70 percent) the February build of 86,770 but 4.62 percent below the year-ago month's 91,612.

Auto production for the first quarter was 252,834, 12.15 percent more than the 1988 fourth-quarter build of 225,433 but 12.36 percent below the year-ago quarter's 288,485.

March's auto assembly of 88,681 increased 5.54 percent over the February total of 84,028 but dropped 19.49 percent from the year-ago month's 110,143.

U.S. CAR						
Omni	600	2,071	468	709	1,323	24,623
Sundance	2,300	1,925	1,972	9,911	32,369	29,410
Reliant	0	1,979	0	0	0	24,220
Acclaim	2,700	0	2,591	13,010	31,932	0
Caravelle	0	350	0	0	0	5,886
Gran Fury	0	247	0	0	0	3,016
Total Plymouth	5,600	6,572	5,031	23,632	65,630	86,176
LeBaron K	0	437	0	0	0	4,586
LeBaron J	2,800	1,581	1,800	9,100	31,322	15,781
LeBaron GTS	0	108	0	386	2,846	2,417
N. Yorker C-Class	1,400	2,152	1,725	10,353	33,850	30,172
Fifth Avenue	0	276	0	0	0	11,246
Total Chrysler	4,200	4,554	3,534	20,240	68,121	82,702
Omni	700	2,051	580	660	1,388	29,652
Daytona	1,800	1,514	1,640	9,141	30,389	15,016
Shadow	2,400	1,743	1,913	9,947	32,066	29,833
Aries	0	1,816	0	0	0	20,453
Dodge 600	0	363	0	0	0	4,588
Dynasty	2,000	1,750	2,472	13,020	49,041	30,941
Lancer	0	216	0	5	1,329	3,046
Spirit	2,800	0	2,380	10,699	29,788	0
Diplomat	0	810	0	0	0	6,186
Total Dodge	9,500	10,003	9,205	44,210	139,219	133,732
CHRYSLER MOTORS	19,300	21,115	17,834	88,081	272,969	282,588
Escort	8,686	8,471	6,007	17,507	69,842	92,324
Mustang	4,572	3,230	3,104	20,060	69,069	60,676
Tempo	3,316	3,180	2,722	13,389	46,104	56,466
Taurus	9,621	7,010	9,327	33,705	119,009	108,795
Thunderbird	4,072	2,776	3,195	15,086	50,357	44,057
Total Ford Div.	30,249	22,576	21,535	109,546	365,441	361,927
Topaz	2,157	1,128	986	5,410	18,754	21,221
Cougar	2,733	1,841	2,078	14,089	41,764	33,766
Sable	1,439	2,625	2,332	13,674	35,701	35,208
Total Mercury	6,384	5,782	5,637	33,148	97,239	90,195
Continental	1,692	880	1,092	6,402	20,594	12,264
Mark VII	549	452	380	2,131	8,089	7,228
Lincoln	3,347	2,680	2,185	12,802	37,291	40,900
Total Lincoln	5,588	4,032	3,658	21,335	65,984	60,449
Total L-M Division	11,972	9,824	9,245	54,483	163,223	150,638
FORD MOTOR CO.	42,221	32,400	30,591	164,029	528,664	512,565
Skyhawk	382	577	232	1,234	4,474	10,017
Skylark/Somerset	1,305	522	1,042	5,521	14,855	6,827
Century	2,020	2,995	2,167	10,203	33,576	39,660
Riviera	586	123	439	2,382	8,028	1,927
Electra	2,108	2,230	1,414	5,733	23,205	19,827
LeSabre (fwd)	4,363	2,710	3,780	17,841	31,567	35,051
LeSabre (rwd)	210	222	181	810	2,680	2,019
Reatta	209	100	145	615	1,989	1,178
Total Buick	11,774	9,749	9,374	44,339	120,704	97,314
Cimmaron	0	90	0	0	0	3,146
Eldorado	1,092	979	727	3,780	10,758	9,981
Seville	699	578	456	2,473	7,818	6,507
Brougham (rwd)	710	1,121	646	3,159	12,359	8,698
Deville (fwd)	4,950	2,818	3,802	20,290	62,353	52,885
Allante	78	52	80	313	1,003	670
Total Cadillac	7,335	5,638	5,693	30,015	94,291	81,699
Cavalier	8,528	5,629	6,598	32,109	111,505	92,758
Camaro	2,735	1,885	2,230	10,984	33,924	18,974
Celebrity	2,176	2,799	2,241	10,737	43,467	42,555
Corsica/Beretta	7,490	7,163	3,745	35,206	117,150	109,300
Caprice	4,839	3,290	4,366	20,986	66,492	53,354
Corvette	580	357	500	2,490	7,208	5,914
Total Chevrolet	19,317	21,126	19,680	112,513	369,827	321,861
Calais	2,285	1,190	1,828	9,662	25,617	27,524
Firenza	0	316	0	0	0	4,749
Cutlass Ciera	1,550	0	1,492	7,634	23,232	0
Cutlass Supreme	0	9,137	2,831	5,700	27,265	80,210
Toronado	187	405	139	687	3,113	4,690
88 (fwd)	3,394	2,629	2,831	9,174	43,765	43,263
88 (rwd)	200	299	117	519	2,107	3,593
Olds 98	2,098	1,236	1,849	6,898	25,971	24,358
Total Oldsmobile	9,704	15,232	11,075	40,274	161,097	158,387
Sunbird	4,040	1,660	3,110	15,455	41,584	29,310
Grand Am	6,240	3,505	5,105	23,353	70,283	65,345
Firebird	1,365	1,404	1,099	6,326	20,342	15,239
Grand Prix	4,080	2,708	3,388	14,370	38,437	28,238
Pontiac 6000	2,220	2,270	1,751	3,128	25,664	17,930
Bonneville	2,941	2,024	1,152	6,100	25,245	25,967
Safari/Parisienne	126	218	106	491	1,803	2,021
Fiero	0	512	0	0	0	5,259
Total Pontiac	21,022	14,509	15,690	74,209	224,036	187,303
GENERAL MOTORS	76,172	66,262	61,512	391,350	969,957	846,754
DIAMOND-STAR	1,271	0	1,075	4,[illegible]	10,625	0
HONDA	7,750	7,807	7,614	34,371	107,693	99,972
Civic	2,700	2,159	2,533	11,244	36,133	25,305
Accord	5,050	5,748	5,078	23,127	71,533	74,667
MAZDA†	5,102	2,033	3,777	[illegible],046	69,603	18,592
NISSAN	2,340	2,261	2,0[illegible]	10,240	31,897	22,702
NUMMI	4,[illegible]	3,[illegible]	[illegible],041	19,287	54,034	44,370
Corolla	1,[illegible]	[illegible],020	[illegible],664	7,886	22,783	16,328
Geo Prizm/Nova	2,400	1,[illegible]	[illegible],377	11,401	31,251	28,052
TOYOTA	2,010	0	[illegible],946	9,280	27,060	0
VOLKSWAGEN	0	0	0	0	0	17,284
Golf/GTI	0	0	0	0	0	11,731
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	160,166	134,637	130,416	652,146	2,050,465	1,944,817
Total Cars, Canada	24,146	26,610	20,629	88,681	276,297	315,171
U.S., Canada Cars	184,312	161,247	151,045	740,827	2,326,762	2,159,988
U.S., Canada Cars and Trucks	294,469	256,161	247,940	1,224,226	3,666,413	3,561,376

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes Mazda-built Ford Probe.

CANADIAN CAR						
Premier	1,275	1,870	1,286	3,085	13,668	19,[illegible]
CHRYSLER MOTORS	1,275	1,870	1,286	3,085	13,668	19,[illegible]
Tempo	3,360	4,251	3,370	12,546	48,664	57,673
Topaz	1,440	1,363	1,429	5,339	19,870	19,228
Crown Victoria	2,582	2,917	2,901	12,765	37,379	33,176
Grand Marquis	3,176	2,866	2,877	14,673	41,461	36,440
FORD MOTOR CO.	10,560	11,457	10,586	46,023	146,854	164,717
Celebrity	159	348	339	945	2,716	5,997
Cutlass Ciera	3,720	7,325	4,112	15,840	51,358	67,274
Lumina	3,505	0	2,428	5,718	12,256	0
Pontiac 6000	0	1,378	0	0	0	13,307
Regal	2,800	3,883	42	7,466	23,511	45631
GENERAL MOTORS	10,221	12,734	6,821	29,969	89,871	130,610
HONDA	1,650	993	1,[illegible]	7,[illegible]	22,747	8,941
TOYOTA	280	0	[illegible]	934	1,[illegible]	0
VOLVO	180	153	[illegible]	792	2,378	1,[illegible]
Total Cars, Canada	24,146	26,610	20,629	88,681	276,297	315,171

U.S. TRUCK*						
Caravan	2,320	1,931	2,080	9,244	30,921	27,977
Dakota	2,400	2,279	1,911	10,498	31,115	22,975
Mini-Ram Van	200	341	191	819	2,828	4,251
Pickups	2,400	1,109	1,900	10,487	31,055	15,253
Total Dodge	7,300	5,651	6,104	31,058	95,939	71,056
Cherokee	5,200	3,127	4,340	23,481	62,769	49,015
Commanche	600	668	546	2,737	9,585	13,409
Grand Wagoneer	0	260	277	1,451	4,193	3,838
Wagoneer	200	237	199	866	2,270	3,604
Total Jeep	6,000	4,532	5,366	25,527	78,517	69,867
Voyager	1,800	1,800	2,048	8,748	29,521	25,547
Total Plymouth	1,800	1,800	2,048	8,748	29,521	25,547
CHRYSLER MOTORS	15,100	11,783	13,517	65,334	205,947	176,470
Aerostar	5,750	3,535	4,015	21,466	69,283	62,567
Bronco	1,096	1,009	1,237	7,976	25,552	17,133
Bronco II	2,920	2,082	2,309	12,176	39,857	41,086
Econoline	5,111	4,161	4,096	21,732	69,173	69,830
Heavy trucks	1,305	1,189	1,178	6,408	18,936	18,362
Light trucks	12,052	9,541	9,138	47,466	152,564	141,101
Ranger	7,671	6,209	6,581	31,903	102,225	100,269
Total Ford Div.	36,495	27,757	28,802	149,181	474,590	450,345
FORD MOTOR CO.	36,495	27,757	28,802	149,181	474,590	450,345
Astro	3,387	3,257	3,102	15,706	48,728	48,094
Blazer	540	487	554	2,477	7,728	7,495
Medians/Hearses	0	275	0	0	1,312	4,721
P-Model	747	703	704	3,466	8,674	10,819
Pickups	6,842	5,553	6,610	36,215	117,436	99,816
S-10	4,310	5,757	4,591	25,021	80,954	77,715
S-10 Blazer	3,425	2,971	3,331	18,377	53,748	42,122
Sportsvan/Van	2,237	1,899	1,906	9,124	25,778	20,883
Suburban	1,432	1,367	1,500	6,819	21,571	19,690
Total Chevrolet	22,920	23,239	22,299	117,205	366,928	320,310
Jimmy	112	175	146	714	2,354	2,474
Medians/Hearses	0	761	0	0	1,496	12,497
P-Model	52	81	53	284	1,166	956
Pickups	2,548	1,934	1,129	7,434	32,961	28,176
S-15	1,049	924	910	6,070	18,895	19,259
S-15 Jimmy	848	580	955	5,368	15,240	10,842
Safari	575	827	473	3,602	11,532	12,500
Suburban	482	314	592	2,733	8,649	10,139
Vandura/Rally Vans	749	540	436	2,252	7,144	11,537
Total GMC	6,395	6,416	4,696	28,435	99,437	109,377
GENERAL MOTORS	29,315	29,655	26,994	145,640	466,365	429,687
NAVISTAR	1,920	1,724	1,912	8,133	24,203	24,109
NISSAN	2,760	1,502	2,502	12,212	37,798	36,876
AM GENERAL	450	450	450	1,980	6,120	6,210
MISCELLANEOUS	3,000	2,300	3,000	13,540	36,100	31,740
Total Trucks, U.S.	89,040	75,171	76,977	396,020	1,250,223	1,155,439

CANADIAN TRUCK						
Caravan	3,060	3,013	[illegible]	13,264	42,430	41,965
Mini-Ram Van	336	338	177	880	2,982	3,776
Ram Wagon	660	572	660	2,254	8,467	8,501
Ram Van	1,680	1,372	1,754	5,921	22,110	16,308
Total Dodge	5,748	5,295	5,373	22,289	75,889	68,553
Voyager	2,748	2,786	2,278	11,960	36,898	38,898
Total Plymouth	2,748	2,786	2,278	11,960	36,898	38,898
Wrangler	1,700	1,051	1,793	8,073	22,182	14,141
Total Jeep	1,700	1,051	1,793	8,073	22,182	14,141
CHRYSLER MOTORS	10,196	9,131	9,444	42,322	134,967	121,592
FORD MTR. (lt. trks.)	3,648	3,618	3,578	15,860	47,775	49,751
Light trucks	3,330	3,277	3,812	14,639	46,449	43,308
Vans	1,580	1,279	1,429	5,868	19,200	19,756
Total Chevrolet	4,910	4,556	5,241	20,527	65,649	60,064
Light trucks	1,550	1,414	737	4,501	19,341	22,047
Vans	565	821	677	3,164	9,277	9,502
Total GMC	2,115	2,235	1,414	7,665	28,618	31,549
GENERAL MOTORS	7,025	6,791	6,655	28,192	94,267	91,613
NAVISTAR	270	223	271	1,185	3,419	3,005
Total Trks., Canada	21,137	19,783	19,918	87,379	280,428	265,951
U.S., Canada Trks.	110,177	94,934	96,895	483,399	1,530,651	1,421,390

*—Includes window van production. **—Estimated.
Jeep includes commercial only. All General includes government-chartered vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain [illegible] of one or two units due to rounding.